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Marlene H. Dortch, Esq.  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

**Re: AT&T Forbearance Petition, WC Docket No. 16-363  
Connect America Fund, WC Docket No. 10-90**

On November 14, 2017, Steve Morris and Jennifer McKee of NCTA – The Internet & Television Association, Beth Choroser of Comcast, Christianna Barnhart of Charter Communications, and Jennifer Prime of Cox Communications, met with Lisa Hone, Pam Arluk, Gil Strobel, Ed Krachmer, Doug Slotten, Al Lewis, Lynne Engledow, Irina Asoskov, Rhonda Lien, Joseph Price, Victoria Goldberg (by phone), and John Hunter (by phone) of the Wireline Competition Bureau to discuss the above-referenced proceedings.

We encouraged the Commission to consider pending intercarrier compensation matters in a holistic manner with an eye toward providing incentives to complete the transition to IP-based networks. We explained that cable operators, whose networks generally are all IP-based, spend tens of millions of dollars each year for TDM trunks and gateways that are used solely to exchange voice traffic with incumbent LECs that are unable or unwilling to exchange traffic in IP format. For example, one company explained that over 95 percent of its expense for voice interconnection facilities is attributable to these legacy facilities, while such facilities carry a small – and rapidly declining – portion of its voice traffic. To provide the appropriate incentives, we encouraged the Commission to establish a date by which TDM-based providers, rather than IP-based providers, would be held responsible for the costs of any IP-TDM conversion.

For similar reasons, we encouraged the Commission to reject incumbent LEC proposals to move the “network edge” to the incumbent LEC end office and deregulate the rates for transit and transport services between tandem switches and end offices. We explained that the Commission rejected the idea of requiring competitors to deliver traffic to incumbent LEC end offices two decades ago and the rationale for such an approach is even less compelling today when the Commission is trying to incentivize the transition to IP networks. The exchange of IP-based Internet traffic takes places at fewer, more centralized locations than the exchange of TDM-based voice traffic. As more voice traffic is exchanged in IP format, providers are moving away – where traffic exchange partners are willing - from exchanging traffic in legacy format at LEC end offices and tandems and towards arrangements that more closely resemble those that are used for Internet traffic. We also explained that deregulation of rates for incumbent LEC

transport and transit services would be premature because in many areas providers have no realistic alternative to the services provided by the incumbent LEC.

We also encouraged the Commission to reject AT&T's pending petition for forbearance with respect to 8YY database query charges.<sup>1</sup> Instead the Commission should take immediate targeted action to address arbitrage in connection with 8YY charges, while also considering whether more fundamental changes in 8YY compensation are warranted in connection with a more holistic review of intercarrier compensation. We explained that the theory underlying the Commission's bill-and-keep policy for terminating access charges – that both called and calling parties benefit equally and each network should recover the cost of the call from its own customer – does not apply to 8YY traffic, which is explicitly promoted as “toll free” to the caller. Accordingly, there is no basis for the Commission to shift costs from a business that uses an 8YY number to a customer that calls that number. We also explained that elimination of originating access and database query charges for 8YY traffic would cost the largest cable operators almost \$70 million annually and produce an unwarranted windfall for AT&T and other 8YY providers.

Respectfully submitted,

**/s/ Steven F. Morris**

Steven F. Morris

cc: L. Hone  
P. Arluk  
G. Strobel  
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<sup>1</sup> See *Petition of AT&T Services, Inc.*, WC Docket No. 16-363, Comments of NCTA – The Internet & Television Association (filed Dec. 2, 2016) at 4-6. As NCTA explained in its comments, the Commission also should reject AT&T's overbroad request to eliminate all access charges on calls to or from carriers engaged in access stimulation. *Id.* at 2-4.